

## Message Text

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15

ACTION EA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01

L-02 H-02 PA-01 PRS-01 USIA-06 NIC-01 SAJ-01 SAM-01

/084 W

----- 080164

R 080030Z MAR 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 4084

INFO USLO PEKING

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EFIN, CH, US

SUBJ: THIRD-COUNTRY BANKS IN SINO-U.S. TRADE

1. A BANK SOURCE HERE HAS PASSED THE CONGEN THE FOLLOWING  
LIST OF THIRD-COUNTRY BANKS THROUGH WHICH TRADE WITH THE  
PRC CAN BE TRANSACTED:

A. NEW YORK CITY

BANCA NAZIONALE DEL LAVORO

BANK OF MONTREAL

BANK OF NOVA SCOTIA

BANK OF TOKYO

CANDAIAAN IMPERIAL BANK OF COMMERCE

THE CHARTERED BANK

CREDIT LYONNAIS

CREDIT SUISSE

FRENCH AMERICAN BANKING CORP.

HONG KONG AND SHANGHAI BANKING CORP.

NATIONAL BANK OF PAKISTAN

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NATIONAL WESTMINSTER BANK, LTD.

ROYAL BANK OF CANADA  
TORONTO-DOMINION BANK  
ALGEMENE BANK NEDERLAND N.V.  
LLOYDS BANK CO., LTD.

B. WEST COAST

BANQUE NATIONALE DE PARIS, SAN FRANCISCO  
BARCLAYS BANK OF CALIFORNIA, SAN FRANCISCO  
HONG KONG BANK OF CALIFORNIA, SAN FRANCISCO  
TORONTO-DOMINION BANK, SAN FRANCISCO  
BANK OF MONTREAL (CALIFORNIA), LOS ANGELES  
CANADIAN IMPERIAL BANK OF COMMERCE, SEATTLE  
BANK OF MONTREAL (CALIFORNIA), SAN FRANCISCO  
THE CHARTERED BANK, SAN FRANCISCO  
BANK OF NOVA SCOTIA, SAN FRANCISCO  
BARCLAYS BANK OF CALIFORNIA, LOS ANGELES  
BANK OF MONTREAL (CALIFORNIA), SACRAMENTO  
CANADIAN IMPERIAL BANK OF COMMERCE, PORTLAND

2. ALGEMENE, AND LLOYDS BANKS APPEAR TO BE NEW ADDITIONS  
TO THE LIST.

3. WE HAVE ALSO LEARNED THAT THE BANK OF CHINA RECENTLY  
INFORMED A CORRESPONDENT THAT IN BUSINESS TRANSACTIONS WITH  
THE U.S., NO FORWARD EXCHANGE CONTRACTS CAN BE ENTERED INTO  
AGAINST RMB FOR U.S. DOLLARS OR ANY OTHER CURRENCIES INCLUD-  
ING CANADIAN DOLLARS OR SWIS FRANCS.

4. THIS APPEARS TO BE A RESTATEMENT OF EXISTING POLICY,  
WHICH PRECLUDES AMERICAN BUSINESSMEN FROM OBTAINING FORWARD  
COVER BY BUYING FORWARD RMB THROUGH ONE OF THE EUROPEAN CUR-  
RENCIES. IN THIS CONNECTION, WE NOTE THAT COMMERCE'S OBR  
74-64, ENTITLED "FINANCIAL PRACTICES IN U.S.-CHINA TRADE,"  
POINTED OUT THAT THE ONLY APPARENT WAY FOR A U.S. COMPANY TO  
TRY TO PROTECT ITSELF AGAINST ADVERSE RMB-US DOLLAR EXCHANGE  
RATE FLUCTUATIONS IS TO USE DOLLARS TO BUY FORWARD IN, FOR  
EXAMPLE, DMARKS, A STRONG CURRENCY WITH WHOSE EXCHANGE RATES  
VIS-A-VIS OTHER CURRENCIES INCLUDING THE U.S. DOLLAR, THE  
RMB APPEARS TO MOVE IN ACCORD (HK A-23). AS THE RMB  
WOULD NOT BE DIRECTLY INVOLVED IN SUCH A TRANSACTION,  
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THE BANK OF CHINA'S REGULATIONS WOULD NOT BE RELEVANT.  
CROSS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN TRADE, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975HONGK02431  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750081-0867  
**From:** HONG KONG  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750370/aaaacktf.tel  
**Line Count:** 109  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <05 MAY 2003 by ElyME>; APPROVED <06 MAY 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** THIRD-COUNTRY BANKS IN SINO-U.S. TRADE  
**TAGS:** EFIN, CH, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006